Semiannual Report | July 31, 2023

Vanguard Dividend Growth Fund

Contents

About Your Fund’s Expenses

As a shareholder of the fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund’s gross income, directly reduce the investment return of the fund.

A fund’s expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your fund and to compare these costs with those of other mutual funds. The examples are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The accompanying table illustrates your fund’s costs in two ways:

• **Based on actual fund return.** This section helps you to estimate the actual expenses that you paid over the period. The ”Ending Account Value“ shown is derived from the fund‘s actual return, and the third column shows the dollar amount that would have been paid by an investor who started with $1,000 in the fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number given for your fund under the heading ”Expenses Paid During Period.“

• **Based on hypothetical 5% yearly return.** This section is intended to help you compare your fund‘s costs with those of other mutual funds. It assumes that the fund had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the fund’s actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your fund’s costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the fund for buying and selling securities. Further, the expenses do not include any purchase, redemption, or account service fees described in the fund prospectus. If such fees were applied to your account, your costs would be higher. Your fund does not carry a “sales load.”

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the fund’s expenses, including annual expense ratios, in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your fund’s current prospectus.

Six Months Ended July 31, 2023

Dividend Growth Fund	Beginning Account Value 1/31/2023	Ending Account Value 7/31/2023	Expenses Paid During Period
Based on Actual Fund Return	$1,000.00	$1,038.80	$1.47
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.36	1.45

The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratio for that period is 0.29%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

Dividend Growth Fund

Fund Allocation
As of July 31, 2023

Consumer Discretionary	11.6%
Consumer Staples	15.1
Financials	14.3
Health Care	18.8
Industrials	21.5
Information Technology	9.4
Materials	5.6
Real Estate	2.7
Utilities	1.0

The table reflects the fund's investments, except for short-term investments. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

Financial Statements (unaudited)

Schedule of Investments

As of July 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at www.sec.gov.

	Shares	Market Value• ($000)
Common Stocks (97.7%)		
Consumer Discretionary (11.3%)		
TJX Cos. Inc.	21,905,500	1,895,483
McDonald's Corp.	5,354,152	1,569,837
NIKE Inc. Class B	13,996,536	1,545,078
Home Depot Inc.	3,005,113	1,003,227
		6,013,625
Consumer Staples (14.8%)		
Colgate-Palmolive Co.	20,305,449	1,548,493
PepsiCo Inc.	8,137,195	1,525,399
Procter & Gamble Co.	9,661,520	1,510,096
Coca-Cola Co.	19,678,563	1,218,693
Costco Wholesale Corp.	2,088,215	1,170,799
Diageo plc	20,938,497	913,804
		7,887,284
Financials (14.0%)		
Visa Inc. Class A	6,564,304	1,560,532
Marsh & McLennan Cos. Inc.	7,771,644	1,464,333
Mastercard Inc. Class A	3,556,678	1,402,327
American Express Co.	7,736,675	1,306,570
Chubb Ltd.	5,807,696	1,187,151
PNC Financial Services Group Inc.	3,813,205	521,990
		7,442,903
Health Care (18.3%)		
UnitedHealth Group Inc.	3,792,207	1,920,260
Stryker Corp.	6,321,560	1,791,593
Danaher Corp.	5,712,622	1,457,061
Johnson & Johnson	7,891,857	1,322,123
Abbott Laboratories	9,952,693	1,108,033
Medtronic plc	12,087,177	1,060,771
Merck & Co. Inc.	6,828,210	728,228
Pfizer Inc.	10,529,691	379,701
		9,767,770
Industrials (21.0%)		
Honeywell International Inc.	8,288,241	1,608,996
Northrop Grumman Corp.	3,270,720	1,455,470
Union Pacific Corp.	5,452,417	1,265,070
RTX Corp.	14,165,736	1,245,593
General Dynamics Corp.	5,308,424	1,186,857
United Parcel Service Inc. Class B (XNYS)	5,643,110	1,055,995
Canadian National Railway Co.	8,711,462	1,055,959
Automatic Data Processing Inc.	3,948,604	976,332
Lockheed Martin Corp.	1,738,044	775,811
Deere & Co.	1,351,145	580,452
		11,206,535
Information Technology (9.2%)		
Microsoft Corp.	6,212,918	2,087,043
Accenture plc Class A	4,754,021	1,503,935
Texas Instruments Inc.	7,263,187	1,307,374
		4,898,352
Materials (5.5%)		
Linde plc	3,923,013	1,532,603
Ecolab Inc.	7,532,767	1,379,551
		2,912,154
Real Estate (2.6%)		
American Tower Corp.	3,698,887	703,935
Public Storage	2,449,493	690,145
		1,394,080
Utilities (1.0%)		
NextEra Energy Inc.	7,166,381	525,296
Total Common Stocks (Cost $27,797,737)		**52,047,999**
Temporary Cash Investments (2.2%)		
Money Market Fund (0.0%)		
[1] Vanguard Market Liquidity Fund, 5.274%	262	26

	Face Amount ($000)	Market Value• ($000)
Repurchase Agreements (2.2%)		
Credit Agricole Securities 5.280%, 8/1/23 (Dated 7/31/23, Repurchase Value $206,130,000, collateralized by U.S. Treasury Note/Bond 3.500%–3.750%, 4/30/30–5/31/30, with a value of $210,222,000)	206,100	206,100
JP Morgan Securities LLC 5.290%, 8/1/23 (Dated 7/31/23, Repurchase Value $49,007,000, collateralized by U.S. Treasury Note/Bond 2.500%–3.000%, 8/15/23–9/30/25, with a value of $49,980,000)	49,000	49,000
Natixis SA 5.280%, 8/1/23 (Dated 7/31/23, Repurchase Value $460,368,000, collateralized by Federal Home Loan Bank 3.000%, 2/24/37, U.S Treasury Bill 0.000%, 11/9/23, U.S. Treasury Inflation Indexed Note/Bond 0.125%–1.750%, 10/15/26–2/15/53 and U.S. Treasury Note/Bond 0.500%–4.625%, 11/15/23–11/15/51, with a value of $469,506,000)	460,300	460,300
NatWest Markets plc 5.270%, 8/1/23 (Dated 7/31/23, Repurchase Value $287,342,000, collateralized by U.S. Treasury Note/Bond 0.375%–4.500%, 1/31/24–6/30/30, with a value of $293,046,000)	287,300	287,300
Societe Generale 5.280%, 8/1/23 (Dated 7/31/23, Repurchase Value $175,726,000, collateralized by U.S. Treasury Note/Bond 4.125%, 7/31/28, with a value of $179,214,000)	175,700	175,700
		1,178,400
Total Temporary Cash Investments (Cost $1,178,426)		**1,178,426**
Total Investments (99.9%) (Cost $28,976,163)		**53,226,425**
Other Assets and Liabilities—Net (0.1%)		**51,854**
Net Assets (100%)		**53,278,279**

Cost is in $000.

• See Note A in Notes to Financial Statements.

1 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

Statement of Assets and Liabilities

As of July 31, 2023

($000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $28,976,137)	53,226,399
Affiliated Issuers (Cost $26)	26
Total Investments in Securities	53,226,425
Investment in Vanguard	1,802
Receivables for Investment Securities Sold	39,746
Receivables for Accrued Income	70,614
Receivables for Capital Shares Issued	13,722
Total Assets	**53,352,309**
Liabilities	
Due to Custodian	136
Payables for Investment Securities Purchased	18,522
Payables to Investment Advisor	15,748
Payables for Capital Shares Redeemed	36,341
Payables to Vanguard	3,283
Total Liabilities	**74,030**
Net Assets	**53,278,279**

At July 31, 2023, net assets consisted of:

Paid-in Capital	28,917,595
Total Distributable Earnings (Loss)	24,360,684
Net Assets	**53,278,279**

Net Assets	
Applicable to 1,460,157,197 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	**53,278,279**
Net Asset Value Per Share	**$36.49**

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

	Six Months Ended July 31, 2023
	($000)
Investment Income	
Income	
Dividends[1]	474,745
Interest[2]	23,794
Securities Lending—Net	1
Total Income	498,540
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	34,184
Performance Adjustment	4,040
The Vanguard Group—Note C	
Management and Administrative	34,301
Marketing and Distribution	1,683
Custodian Fees	130
Shareholders' Reports	248
Trustees' Fees and Expenses	14
Other Expenses	7
Total Expenses	74,607
Expenses Paid Indirectly	(6)
Net Expenses	74,601
Net Investment Income	**423,939**
Realized Net Gain (Loss)	
Investment Securities Sold[2]	53,763
Foreign Currencies	405
Realized Net Gain (Loss)	**54,168**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[2]	1,505,696
Foreign Currencies	30
Change in Unrealized Appreciation (Depreciation)[2]	**1,505,726**
Net Increase (Decrease) in Net Assets Resulting from Operations	**1,983,833**

1 Dividends are net of foreign withholding taxes of $1,584,000.
2 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were $0, $0, and less than $1,000, respectively. Purchases and sales are for temporary cash investment purposes.

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Changes in Net Assets

	Six Months Ended July 31, 2023	Year Ended January 31, 2023
	($000)	($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	423,939	881,404
Realized Net Gain (Loss)	54,168	950,732
Change in Unrealized Appreciation (Depreciation)	1,505,726	(2,275,243)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,983,833	(443,107)
Distributions		
Total Distributions	(429,979)	(3,115,838)
Capital Share Transactions		
Issued	2,203,208	6,800,227
Issued in Lieu of Cash Distributions	377,631	2,759,975
Redeemed	(4,308,521)	(6,734,733)
Net Increase (Decrease) from Capital Share Transactions	(1,727,682)	2,825,469
Total Increase (Decrease)	(173,828)	(733,476)
Net Assets		
Beginning of Period	**53,452,107**	**54,185,583**
End of Period	**53,278,279**	**53,452,107**

See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended July 31, 2023	Year Ended January 31, 2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	**$35.42**	**$37.85**	**$31.82**	**$30.63**	**$26.03**	**$27.85**
Investment Operations						
Net Investment Income[1]	.286	.596	.576	.557	.536	.520
Net Realized and Unrealized Gain (Loss) on Investments	1.077	(.893)	7.593	1.572	5.499	(.178)
Total from Investment Operations	1.363	(.297)	8.169	2.129	6.035	.342
Distributions						
Dividends from Net Investment Income	(.293)	(.590)	(.574)	(.539)	(.525)	(.526)
Distributions from Realized Capital Gains	—	(1.543)	(1.565)	(.400)	(.910)	(1.636)
Total Distributions	(.293)	(2.133)	(2.139)	(.939)	(1.435)	(2.162)
Net Asset Value, End of Period	**$36.49**	**$35.42**	**$37.85**	**$31.82**	**$30.63**	**$26.03**
Total Return[2]	**3.88%**	**-0.76%**	**25.66%**	**7.03%**	**23.33%**	**1.63%**
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	$53,278	$53,452	$54,186	$45,099	$43,024	$32,856
Ratio of Total Expenses to Average Net Assets[3]	0.29%[4]	0.30%[4]	0.27%	0.26%	0.27%	0.22%
Ratio of Net Investment Income to Average Net Assets	1.69%	1.68%	1.56%	1.85%	1.82%	1.93%
Portfolio Turnover Rate	4%	11%	15%	15%	17%	23%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

3 Includes performance-based investment advisory fee increases (decreases) of 0.02%, 0.03%, (0.00%), (0.01%), 0.00%, and (0.05%).

4 The ratio of expenses to average net assets for the period net of reduction from custody fee offset and broker commission abatement arrangements was 0.29% and 0.30%, respectively.

See accompanying Notes, which are an integral part of the Financial Statements.

Notes to Financial Statements

Vanguard Dividend Growth Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

1. Security Valuation: Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the fund's pricing time. When fair-value pricing is employed, the prices of securities used by a fund to calculate its net asset value may differ from quoted or published prices for the same securities. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. Foreign Currency: Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates obtained from an independent third party as of the fund's pricing time on the valuation date. Realized gains (losses) and unrealized appreciation (depreciation) on investment securities include the effects of changes in exchange rates since the securities were purchased, combined with the effects of changes in security prices. Fluctuations in the value of other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses) until the assets or liabilities are settled in cash, at which time they are recorded as realized foreign currency gains (losses).

3. Repurchase Agreements: The fund enters into repurchase agreements with institutional counterparties. Securities pledged as collateral to the fund under repurchase agreements are held by a custodian bank until the agreements mature, and in the absence of a default, such collateral cannot be repledged, resold, or rehypothecated. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal. The fund further mitigates its counterparty risk by entering into repurchase agreements only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master repurchase agreements with its counterparties. The master repurchase agreements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate any repurchase agreements with that counterparty, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund. Such action may be subject to legal proceedings, which may delay or limit the disposition of collateral.

4. Federal Income Taxes: The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations,

which is generally three years after the filing of the tax return. Management has analyzed the fund’s tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund’s financial statements.

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

6. Securities Lending: To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The fund further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty’s default (including bankruptcy), the fund may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the fund may experience delays and costs in recovering the securities loaned. The fund invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the fund is entitled to all distributions made on or in respect of the loaned securities.

7. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a $4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund’s regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund’s board of trustees and included in Management and Administrative expenses on the fund’s Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the “Order”) from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the “Interfund Lending Program”), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund’s investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended July 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. Wellington Management Company LLP provides investment advisory services to the fund for a fee calculated at an annual percentage rate of average net assets. The basic fee is subject to quarterly adjustments based on the fund's performance relative to the NASDAQ US Dividend Achievers Select Index for periods prior to September 20, 2021, and to the current benchmark S&P U.S. Dividend Growers Index, beginning September 20, 2021, for the preceding three years. The benchmark change will be fully phased in by October 2024. For the six months ended July 31, 2023, the investment advisory fee represented an effective annual basic rate of 0.13% of the fund's average net assets, before a net increase of $4,040,000 (0.02%) based on performance.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At July 31, 2023, the fund had contributed to Vanguard capital in the amount of $1,802,000, representing less than 0.01% of the fund's net assets and 0.72% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

D. The fund has asked its investment advisor to direct certain security trades, subject to obtaining the best price and execution, to brokers who have agreed to rebate to the fund part of the commissions generated. Such rebates are used solely to reduce the fund's management and administrative expenses. The fund's custodian bank has also agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the six months ended July 31, 2023, these arrangements reduced the fund's management and administrative expenses by $2,000 and custodian fees by $4,000. The total expense reduction represented an effective annual rate of less than 0.01% of the fund's average net assets.

E. Various inputs may be used to determine the value of the fund's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.
Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments as of July 31, 2023, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	51,134,195	913,804	—	52,047,999
Temporary Cash Investments	26	1,178,400	—	1,178,426
Total	51,134,221	2,092,204	—	53,226,425

F. As of July 31, 2023, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount ($000)
Tax Cost	28,981,282
Gross Unrealized Appreciation	24,254,913
Gross Unrealized Depreciation	(9,770)
Net Unrealized Appreciation (Depreciation)	24,245,143

G. During the six months ended July 31, 2023, the fund purchased $2,280,274,000 of investment securities and sold $3,683,680,000 of investment securities, other than temporary cash investments.

H. Capital shares issued and redeemed were:

	Six Months Ended July 31, 2023	Year Ended January 31, 2023
	Shares (000)	Shares (000)
Issued	62,515	191,019
Issued in Lieu of Cash Distributions	10,674	76,943
Redeemed	(122,254)	(190,197)
Net Increase (Decrease) in Shares Outstanding	(49,065)	77,765

I. Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

J. Management has determined that no events or transactions occurred subsequent to July 31, 2023, that would require recognition or disclosure in these financial statements.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the "Program") as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund's liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors' interests in the fund.

Assessment and management of a fund's liquidity risk under the Program take into consideration certain factors, such as the fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Specialized Funds approved the appointment of liquidity risk management program administrators responsible for administering Vanguard Dividend Growth Fund's Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program's operation, its adequacy, and the effectiveness of its implementation for the past year (the "Program Administrator Report"). The board has reviewed the Program Administrator Report covering the period from January 1, 2022, through December 31, 2022 (the "Review Period"). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the fund's liquidity risk.

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You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, www.sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or www.sec.gov.

You can review information about your fund on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.

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